

**Assurance Forum  
2nd Meeting (via Zoom)  
Minutes of Meeting**

Venue: Zoom Meeting (<https://zoom.us/j/96684591517>)

Date and time: 9 December 2020 at 3.30 pm – 5.30 pm KL time

**ASC Members Attendance:**

| <b>Growers</b>                                   |                                  |                             |
|--|----------------------------------|-----------------------------|
| <b>Name</b>                                      | <b>Organisation</b>              | <b>Group Representation</b> |
| Agus Purnomo (AP) (Co-chair)                     | Golden Agri Resources (GAR)      | Indonesian Growers (IGC)    |
| Lee Kuan Yee (LKY)                               | Kuala Lumpur Kepong (KLK) Berhad | Malaysian Growers (MPOA)    |
| <b>NGOs</b>                                      |                                  |                             |
| <b>Name</b>                                      | <b>Organisation</b>              | <b>Group Representation</b> |
| Michael Guindon (MG) (Co-chair)                  | WWF Singapore                    | E-NGO                       |
| Paula den Hartog (PH)                            | Rainforest Alliance              | E-NGO                       |
| Marcus Colchester (MC)                           | Forest Peoples Programme         | S-NGO                       |
| <b>Supply Chain Sector / Downstream / Others</b> |                                  |                             |
| <b>Name</b>                                      | <b>Organisation</b>              | <b>Group Representation</b> |
| Emily Kunen (EK)                                 | Nestle                           | CGM                         |
| Hugo Byrnes (HB)                                 | Royal Ahold Delhaize N.V         | Retailers                   |
| Olivier Tichit (OT)                              | Musim Mas Holdings               | P&T                         |
| Michael Zrust (MZ)                               | Lestari Capital                  | Financial Institution       |

**RSPO Secretariat Attendance:**

| <b>Name</b>                       | <b>Position</b>                          |
|-----------------------------------|--|
| Tiur Rumondang (TR)               | Assurance Director (from 1 January 2021) |
| Aminah Ang (AA)                   | Interim Assurance Director               |
| Wan Muqtadir Wan Abdul Fatah (WM) | Sr. Manager, Assurance Integrity Unit    |

|                     |   |
|---------------------|---|
| Aizat Affendi (AMA) | Sr. Executive, Assurance Integrity Unit |
| Amirul Ariff        | Certification Manager                   |
| Sara Cowling (SC)   | Senior Global Communications Manager    |

**Assurance Forum Participants' Attendance:**

| Name                         | Organisation                     |
|------------------------------|----------------------------------|
| Neil Judd (NJ)               | Proforest - Lead Facilitator     |
| Shinta Puspitasari (SPH)     | Proforest - Facilitation support |
| Hubert de Bonafos (HdeB)     | ASI                              |
| Arie Soetjadi (AS)           | HCVRN                            |
| Ruth Silva (RS)              | HCVRN                            |
| Andy Whitmore (AW)           | Independent Consultant           |
| Siobhan Pearce (SP)          | EIA                              |
| Heleen van den Hombergh (HH) | IUCN Netherlands                 |
| Grant Rosoman (GR)           | Greenpeace                       |
| Darren Brown (DB)            | HCSA                             |
| Matthias Diemer (MD)         | Diemer Sustainability Consulting |
| Patrick Anderson (PA)        | FPP                              |

| Item | Description   | Action Points |
|------|---|---------------|
|      | <p><b>Opening</b></p> <p>NJ welcomed everyone joining the call.</p> <p>MG welcomed everyone to the 2<sup>nd</sup> Assurance Forum meeting and introduced himself as one of the Co-chairs for the ASC.</p> <p>NJ informed the group that the meeting will be recorded to generate minutes and capture agreed actions. NJ also reminded participants that the meeting is held under the Chatham House Rule. No one will attribute remarks to individuals outside the meeting. NJ shared the principal aspiration of these Assurance Forum which is to create a positive dynamic where the Secretariat and the members of ASC and other stakeholders</p> |               |

|                                     |  |  |
|-------------------------------------|--|--|
|                                     | <p>can work together.</p> <p>NJ reminded the Forum of the RSPO Antitrust Guidelines and shared the agenda for this meeting.</p>  |  |
| <p><b>1.0</b></p> <p><b>1.1</b></p> | <p><b>Introduction of the new Assurance Director</b></p> <p><b>Announcement of the new structure of the revamped Assurance division within the RSPO Secretariat</b></p> <p>TR introduced herself and updated that she would be taking the Assurance Director position from January 2021. TR continued by sharing the ongoing re-structuring process of the operational function within the Secretariat. The operational goals cover 5 pillars: standard setting, providing assurance, stakeholder engagement, market transformation and supporting members. TR shared the new structure of the revamped Assurance division within the RSPO Secretariat, which includes impacts, monitoring &amp; evaluation, certification, compliance, risk, &amp; grievances.</p>  |  |
| <p><b>2.0</b></p> <p><b>2.1</b></p> | <p><b>Role of the Assurance Forum</b></p> <p><b>Assurance Forum Terms of Reference</b></p> <p>WM shared the main points in the draft ToR. The ToR summarises the objective of the Assurance Forum, which is to gather additional feedback on the required improvements of RSPO Assurance Systems, which will then be carried out through the ASC work plan.</p> <p><b>Role of the Assurance Forum</b></p> <p>WM continued by proposing the role of the Assurance Forum; each stakeholder can bring in experience and knowledge to share; and provide feedback on the implementation of key documents and insights on how improvements can be made. The feedback can be related to, for example, performance of Certification Bodies (CBs), performance of assessors, implementation of the RSPO Standards, and external insights from non-RSPO members.</p> <p><b>Management of the Assurance Forum</b></p> <p>WM explained that this is a voluntary forum, no reimbursement will be made for participation on this forum, and it works under the Chatham House Rule.</p> <p>In discussion, NJ reminded the group of some comments shared previously in writing by key stakeholders and suggested these comments into consideration as well.</p> <p>Participants commented that the Assurance Forum should actively engage in what the ASC is doing, and on any document developed under the ASC. ASC co-chairs agreed that the AF should be asked to provide feedback and input on draft ASC documents.</p> |  |

|                                     |  |   |
|-------------------------------------|--|---|
|                                     | <p>Participants suggested that the Assurance Forum can also create the enabling environment to allow better implementation of RSPO standards and assurance. Additionally, it was suggested participants can also identify the root causes of assurance problems. So that we all have responsibility to find solutions, how to implement them and create the enabling environment.</p> <p>Participants asked about the proposed working groups that will be created within the ASC and how they will operate, and also asked about the link between the existing KPIs and the new root cause analysis. WM responded that each working group will have its own ToR, and input and feedback from the AF participants are welcome. On existing KPIs, WM briefly explained that they will be re-aligned with the new structure and the results of the root cause analysis once it is finalised.</p>   | <p>The Secretariat will look into feedback received on the proposed Terms of Reference of the AF received during the Assurance Forum meeting and by email, and then finalise the ToR.</p> |
| <p><b>3.0</b></p> <p><b>3.1</b></p> | <p><b>Root Cause Analysis of Assurance Gaps</b></p> <p><b>Review of the Proposed Scope and Objectives</b><br/>         NJ firstly highlighted some of the ASC work progress in 2020, including the finalised ASC Terms of Reference; developing a systematic approach to oversight of the full scope of work; positive Secretariat updates and progress reviewed, such as the Fire Hub; oversight of relationships with key external bodies has commenced, including HCVRN, ASI and HCSA; outstanding commitment to undertake root cause analysis of ongoing weaknesses; incorporation of all of the above into a coherent workplan.</p> <p>NJ briefly shared the objective for the root cause analysis which is to undertake a systematic approach to strengthening the RSPO Assurance System, using a root cause analysis of current weaknesses, with oversight from the ASC.</p> <p>NJ highlighted some of the stakeholder concerns: namely the efficacy and credibility of RSPO certification and complaints resolution; recent and on-going allegations relating to human rights and labour conditions that have reinforced the need for action; and the need for strengthening of RSPO processes to underpin further development.</p> <p>NJ explained the holistic approach taken by combining certification, verification activities, together with grievance processes, to form an overall RSPO assurance system. Any initiatives to identify gaps and strengthen processes must take a holistic approach to the whole system. NJ reminded the group that a key recommendation from the recent independent review of the Assurance Task Force (ATF) was that “the ASC needs to develop a long-term, strategic work programme built on a thorough understanding of the root causes of poor audit and assessment quality”. NJ mentioned as a last point that The Secretariat and ASC need to be able to reliably identify what is currently ‘going wrong’ and why, in order to identify solutions and then monitor their implementation and effectiveness.</p> |   |



|  |  |  |
|--|--|--|
|  | <p>Elements of the Proposed Approach<br/>         NJ shared the 5 elements of the proposed approach: gap assessment, analysis of CB performance, external review, Secretariat capability, and stakeholder consultation.</p> <p>NJ added that the Secretariat has already started the gap assessment internally using previous external reports. Part of this is from the outstanding activities based on the independent ATF review. The analysis of CB performance is an evaluation of current certification body performance by Assurance Services International (ASI) against agreed KPIs. The third strand is the external review where there are a range of recommendations from previous reports to be reviewed, including the current study in progress by IUCN Netherlands, which will provide additional insights. On the Secretariat capability, an internal CEO-led review of Secretariat capacity and capability is currently in progress. The last element is on the stakeholder consultation process to gather further perspectives on where and how assurance systems need to be improved.</p> <p>Participants raised concerns on how the Secretariat is conducting the gap assessment and is reviewing itself. WM responded there are already external reports and information received, including the ATF review. The Secretariat has already started to identify what the gaps are and where improvement can be made.</p> <p>TR added the re-structuring within the Assurance Division is taking into consideration the lack of internal resources to provide support for all members. She continued that the monitoring aspect, which was initially outside Assurance, is now embedded. This is part of the re-structuring process to increase the Secretariat capacity and capability.</p> <p>On the gap assessment, ASC co-chairs clarified that the Secretariat is mobilising and analysing existing data &amp; information. The result will be presented to the BoG. Members of the BoG who are also members of ASC will evaluate, report and discuss. If there are doubts about the analysis, RSPO members can raise it through relevant representatives in the ASC. Members of ASC will give assurance that the analysis will be thorough.</p> <p>Participants encouraged others to flag up key shortcomings to the Secretariat in addition to what was already highlighted in the ATF review and other reports.</p> <p>Participants further inquired about the scope of the work for the root cause analysis, which might not be fully covered under the elements of proposed approach. Participants also asked for clarification on the scope of the gap assessment and whether the Secretariat will be reviewing the whole system and not only their performance. As the RSPO works with third parties, it should be the Secretariat's role to identify and flag if the system doesn't work correctly.</p> <p>NJ responded that the intention is to review the whole system. The ATF</p> |  |
|--|--|--|

|                                     |   |   |
|-------------------------------------|---|---|
|                                     | <p>report, for example, included the roles of ASI, CBs and other third-party work for RSPO. But at the same time the gap assessment will consider how the Secretariat works as well.</p>  |   |
|                                     | <p><b>Short Break</b></p> <p>The meeting had a 5 minute break</p>   |   |
| <p><b>4.0</b></p> <p><b>4.1</b></p> | <p><b>Review of ASI SOP on CB Performance Analysis</b></p> <p><b>Update on the Progress of the SOP development</b><br/> HdeB explained the objective of the CABs performance appraisal is not to replace RSPO and ASI accreditation requirements, but to create a fair and independent assessment process and incentive mechanism for continuous improvement amongst RSPO accredited CABs.</p> <p>HdeB continued that the RSPO CABs performance appraisal process will take place once a year at the beginning of each calendar year. CABs performance appraisal rating will be performed based on a close collaboration between ASI and the RSPO Secretariat. RSPO will make the annual RSPO CABs Performance Appraisal results publicly available.</p> <p><b>RSPO CB Performance Scoring</b><br/> HB shared a short presentation on the proposed CB performance scoring criteria with 4 categories and a set of indicators. The first category is an ASI rating which includes organisation &amp; management, competent resources, impartiality management, dispute management and internal audit. The second category is management of complaints with a set of indicators, including number of complaints, scope and seriousness of complaints, and timely resolution. The third category is RSPO engagement, with indicators on engagement with RSPO, with other stakeholders, and to participate actively in relevant events/workshops. The last category is Palm Trace registration, which includes delay in registration, seriousness of mistakes, and responsiveness in addressing mistakes. HdeB updated that the first formal assessment of this framework will be conducted at the beginning of 2021.</p> <p>Participants highlighted that the proposed KPIs are mostly administrative, and also proposed an additional KPI related to shadow audits and the number of non-conformities with or without an accredited body being present. Participants further queried the category related to Palm Trace registration.</p> <p>HdeB responded that ASI &amp; RSPO are looking at the overall RSPO system. One of the important issues is the certification of plantations, but there are also other requirements.</p> <p>Participants asked about the impartiality and objectivity of the CBs performance assessment and requested a more detailed explanation about this assessment. HdeB suggested we share the full presentation from the previous meeting with the Assurance Forum participants to give</p> | <p>The Secretariat will share the ASI longer presentation</p> |

|                                     |  |   |
|-------------------------------------|--|---|
|                                     | <p>more detail of the assessment process. HdeB added that impartiality is already part of the ASI system, including the monitoring and scoring system. The assessment is using not only RSPO requirements but also ISO which has clear requirements on management of impartiality.</p> <p>Participants asked for a further explanation about Palm Trace and the type of serious mistakes. HdeB explained that Palm Trace is being managed by Rainforest Alliance. There are mistakes made by the CBs including uploading the wrong data and documents, and conducting the wrong approach, which will create impact on the license for the certificate holder. CBs should resolve these problems immediately, but others might take a while.</p>  | <p>(from the earlier ASC call) with the Assurance Forum participants.</p> |
| <p><b>5.0</b></p> <p><b>5.1</b></p> | <p><b>Decoupling Study</b></p> <p><b>Initial recommendations from the IUCN NL study</b><br/>         HH from IUCN Netherlands gave a background on the importance of voluntary standards such as RSPO. IUCN conducted a benchmark study in 2019 in which RSPO came top for sustainable palm oil standards. This study was commissioned to improve the quality and independence of the audits, now framed as the decoupling study. HH continued that IUCN will be responsible for providing the recommendations to RSPO.</p> <p>AW aims to finalise the report before end of 2020. The report will be available in English, Spanish and Bahasa Indonesia. AW shared brief highlights on the draft report, covering purpose and methodology, analysis of issues, external experiences and lessons learned on 3 main issues (competence &amp; quality, transparency, independence), and conclusions.</p> <p><b>Purpose and Methodology</b><br/>         AW explained the purpose of this study is to have a multi-stakeholder review to explore the workability of various options for improving the quality and increasing the independence of audits. Two main methods were conducted: carrying out interviews with a range of stakeholders (within and outside RSPO) and reviewing other systems to gather best practice. In total, 14 different formal interviews with 17 interviewees and 30 informal interviews were conducted. The list of interviewees will be published in the report along with 48 resource publications as references. All comments and views in the report will be anonymised.</p> <p><b>Analysis of Issues</b><br/>         AW continued that the research is a response to a number of critical reports and resulting internal debates within RSPO - particularly the contentious issue of how much auditor independence is a factor in concerns around auditing. The majority of interviewed RSPO stakeholders identified concerns with RSPO audits, although a minority (mostly the upstream companies) disagreed with this. There is real disagreement on the root causes of problems, particularly on the relative importance of auditor independence – some positions are entrenched, with general frustration.</p> <p>AW added that there are useful experiences from other systems regarding</p> |   |

|  |  |  |
|--|--|--|
|  | <p>competence, particularly on social auditing and transparency Most of the focus was on auditor independence because it is often claimed there is no or limited external experience of different approaches to auditor allocation. AW specifically reviewed 3 schemes as part of the study: Rainforest Alliance Cocoa Assurance in Ghana &amp; Côte d'Ivoire; Ontario Independent Forest Audit, and; Best Aquaculture Practices, and shared some details on each.</p> <p>AW shared that based on his interviews, there are various positive actions being taken by RSPO on training and improving auditor quality, and some suggestions on how to improve those. Social auditing was identified as a key issue, in terms of capacity and improved methodology and basic skills for auditors. A number of other concerns are addressed including cultural issues, audit working conditions and minimum audit timing, pre-warning for audits and new technology.</p> <p>AW continued that there are 4 main topics under transparency: consideration of how to better and safely involve stakeholders in audits; how to make better use of observers in audits; considerations around ASI witness audits and potentially improved CB peer review processes; and the potential for open sharing of data to allow aggregation, cross-referencing and risk mapping.</p> <p>In terms of independence, AW shared that the research lays out issues around how and whether CB and auditor allocation would address concerns. It then offers analysis based on material from the interviews, best practice reviews and literature.</p> <p><b>Conclusions</b><br/>AW highlighted the conclusions from the study that action has been taken by RSPO on the issue of auditor independence, via lead auditor rotation. It is not yet clear if this has worked or if it is enough. A recommendation is to consider extending where possible to all auditors and even CBs. This research also suggests several ways to progress the debate around auditor independence, as it seeks both to respond to genuine concerns and to learn from others.</p> <p>The report draws conclusions and makes recommendations if RSPO wishes to implement decoupling in practice - including factors relating to cost-effectiveness and potential improvements in quality and independence. Pilots should provide options to explore, albeit in smaller scale to trial different versions of the solutions proposed to deal with independence (e.g. different forms of auditor rotation), potentially simultaneously, which should provide data on efficacy and impacts. But need to be carefully considered with widespread consultation, and concerns addressed.</p> <p>It will also be important to integrate any information from this study into the proposed root cause analysis. The root cause analysis should deal with the different visions, or emphasis, of what auditor independence really means.</p> <p>Participants thanked AW for sharing the draft report and asked whether</p> |  |
|--|--|--|





|                                     |   |  |
|-------------------------------------|---|--|
|                                     | <p>there are further recommendations for financing options such as trust funds to reduce the costs to producers so that audits can be done with higher quality. AW responded that there are strong resistances from the downstream users to put money separately into trust funds. Some stakeholders suggested different ways to do this, including for example increasing the membership fee, or to set up funds for specific purposes, for example training in regions or for smaller CBs.</p> <p>Participants highlighted the previous experience of FSC in looking at similar issues, to which AW responded that he has access to the documents and found the previous work very useful in providing insights and identifying other references, too.</p> <p>Participants asked whether there are key recommendations for RSPO to trial. AW shared a personal point of view on schemes that seem to offer the best possible way forward, subject to lessons learned and potential challenges.</p> <p>Participants queried whether AW came across any evidence that independently funded audits are better. AW responded that there is no guarantee of improved quality. Based on the schemes reviewed, the main issues related to auditors were not only about their independence, but also quality.</p> <p>Participants asked about the main motive of other schemes to switch to other models of auditor allocation. AW explained that schemes primarily want to look at the quality of auditors and their independence as well. The scale started small to see whether it works.</p>  |  |
| <p><b>6.0</b></p> <p><b>6.1</b></p> | <p><b>Remote Auditing</b></p> <p><b>An Update on RSPO Remote Audits</b></p> <p>WM shared an update on remote audits. The timeline started on 31<sup>st</sup> March 2020 when RSPO announced temporary audit measures for both P&amp;C and SCC. On 24<sup>th</sup> July 2020, an FAQ was released to address concerns about remote audit from its stakeholders. On 25<sup>th</sup> August 2020, advancement in remote audit requirements was announced to cater to the situation by allowing 100% Remote for certain scenarios. On 20<sup>th</sup> October 2020, The Secretariat collected feedback from CBs and their experience in conducting remote audits at the RSPO CB Workshop.</p> <p>WM shared 3 documents that have been produced by RSPO: Contingency RSPO Audit Procedure, RSPO Guidance for Participation of CBs Audit Facilitator, and FAQs for Remote Auditing. Audit facilitator is a representative of CB on site.</p> <p>WM shared feedback received from CBs, such as technology challenges when the certification unit has poor internet connection, the auditors' needs for training in use of remote technology, data protection and disclosure, contract requirements (changing terms), man-days allocation (more needed), and submission of records and documents. The last main feedback was related to confidence in the audit itself; the need for site verification is still there, especially for social issues and privacy of interviews when conducted online.</p> <p>Participants raised an issue on remote audit, such that as audits are already criticised for lack of reach to affected workers and communities, how they can be impartially identified before being</p> |  |



|                   |  |
|-------------------|--|
|                   | <p>interviewed remotely. AA responded that there are indicators that need on-site assessment and other indicators where full remote audit can be conducted. For social indicators, they would require some on-site assessment.</p> <p>Participants asked whether RSPO is using existing tools that can potentially reduce cost and provide more effectiveness on remote audits. AA explained that the secretariat is currently looking at various technologies and tools that can be used for remote audits and the evaluation. This is still an on-going process. However, for now RSPO will be using the RSPO Contingency Audit Procedure to manage the current situation.</p>   |
| <p><b>7.0</b></p> | <p><b>Open Forum</b></p> <p>Participants followed up on the decoupling study and if there is a plan to scale it up. AW responded that the study is a multistakeholder analysis and provides an overview of different opinions. The RSPO &amp; ASC can then use these recommendations and discuss how to take them forward. Some of the recommendations are pointing towards other schemes that can be looked into. Another useful recommendation from the report is to start the scheme small and scale it up when possible. RSPO and ASI could discuss and work out the best way to move it forward. AW suggested to get key stakeholders together to discuss further, in order to ensure better understanding on the issues around ‘decoupling’.</p> <p>Participants queried on an update against the KPIs, to which WM responded that one of the update is the publicly available Certification System Documents on RSPO website. NPP is still in revision. The sub-group has received feedback and comments and will incorporate them. Additionally, The Secretariat has recently published a Child Rights Guidance. NJ added that the root cause analysis will aim to identify priorities for KPI measurements, create a baseline and then track improvement.</p> <p>Participants asked on NPP revision and how external technical parties can be invited to participate in the meetings. WM responded that the draft documents will go into 2<sup>nd</sup> round public consultation where feedback will be gathered and will welcome the participant in question to be part of the technical input team.</p> <p>Participants asked for clarification on when the final document on root cause analysis will be distributed to ASC members. NJ clarified that the update on root cause analysis will be shared with ASC members in Q1 2021 during the 1<sup>st</sup> ASC meeting. NJ also suggested to have the next Assurance Forum following that. These meetings are aimed to evaluate the analysis that will have been done.</p> |
| <p><b>8.0</b></p> | <p><b>Closing remarks</b></p> <p>AP &amp; MG thanks NJ and everyone for their participation.<br/>NJ thanked all the ASC members and the Assurance Forum who attended the meeting.</p> <p>The meeting adjourned at 5.30 pm.</p>   |